

App. No. 09/758,624

Docket No. TEQ 01117P1US

REMARKS**Response to Restriction Requirement**

In a telephone call with the Examiner, Applicant's attorney provisionally elected, with traverse, to prosecute claims in Group 1, species 3, claims 12-17. Applicant believes that the species identified in Group 1 are not distinct from each other at least because independent claims 1, 7 and 12 specify the same or similar steps, with variations in order of performance. Similarly the dependent claims from independent claims 1, 7 and 12 are have a large amount of overlap. Because no additional search is required for examination of all of claims 1-17 than would be necessary for any one of the 3 subspecies identified by Examiner, Applicant submits they are not separate species, but should be treated as a single species, and would ask the Examiner to reconsider the additional species restrictions within Group 1. However, if such reconsideration is not granted, Applicant would elect to prosecute claims in Group 1, species 3, claims 12-17.

Rejections Under 35 U.S.C. §112

The Examiner has rejected claims 12-17 under 35 U.S.C. §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention. Applicant amended the claims to more clearly delineate performing steps of the method with a computer. These amendments are supported by the specification as originally filed. The specification clearly stipulates that computational devices are used for valuation of the intellectual properties, evaluation of an enterprise and determining investment criteria (see, e.g. p. 24, lines 18-22, Figs. A-C) and the use of multiple valuation algorithms into which data is entered to determine the value of a patent (see p. 14, line 21-p. 16, line 25) and therefore the amendments are supported by the initial disclosure. Applicant is grateful to the Examiner for pointing out the failure to clearly specify in these claims that a computer system is used in performing portions of the disclosed method.

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Rejections Under 35 U.S.C. §101

The Examiner has rejected claims 12-17 under 35 U.S.C. §101 as being directed to non-statutory subject matter, an abstract idea. For clarification, claims 12, 14, 15 and 16 have been amended to clarify that the claimed invention is a process for facilitating a transaction utilizing an electronic data processing method for facilitating a business transaction. Additionally, those steps utilizing an electronic database have also been clarified. have been amended to clarify that the claimed invention is a process for facilitating a business transaction, including pre-computer processing activities, a series of steps performed by a computer, and post-computer processing activities. Applicant believes these amendments fully address the examiner's rejections under §101, and that all the claims now meet the requirements of 35 U.S.C. §101, and *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368 (Fed. Cir. 1998).

Rejections Under 35 U.S.C. § 103(a)

The Examiner has rejected claims 12-17 under 35 U.S.C. §103(a) as being unpatentable over US Patent 6,018,714 to Risen ("Risen") in view of US Patent 5,126,936 to Champion ("Champion"). Applicant respectfully disagrees, and would show that nothing in the patent of Risen, alone or in combination with Champion, suggests or implies the invention of the present application. The present invention discloses and describes computerized methods of assessing the value of intellectual properties and assigning an appropriate purchase price to the intellectual properties. In addition, money for the purchase is acquired from third parties, the investors, and the patented technology is licensed to at least one party in exchange for future monetary payments, which are dispersed amongst the investors when received.

Risen discloses a purchase transaction between two parties with the addition of the purchasing party acquiring insurance; Champion, discloses investors investing their money in products owned by various third parties, such as mutual funds. In the present invention, the investment entity typically takes title to the patent from the original owner in exchange for payment to the original owner of funds obtained from investor accounts, and then licenses at the patented technology for an agreed-upon monetary return that is in turn allocated to the investors.

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No place in Champion or Risen is any mention made or implied of determining the value of intellectual properties, purchasing the intellectual properties with money from investors, and licensing the intellectual properties to obtain an income stream that is paid back to the investors.

Risen provides insurance against a change in *predicted* value of the intellectual property. The present invention, in contrast, serves to predict a value of intellectual property. Risen talks about valuing an intellectual property, but states that assigning a monetary value to a patent can be difficult, and indicates that a preferred method of determining a value is to retain a firm that specializes in valuation of intellectual property (col 11, lns. 11-13). An alternative method proposed by Risen is to use an arbitrary valuation (col. 11, lns. 24-27). Risen discloses and claims obtaining the valuation of the intellectual property from an outside expert, and putting that number into the algorithm of Risen used to determine insurance premiums. Risen does not disclose or suggest a method for using an algorithm to determine the value of an intellectual property. It is because of the difficulty of determining an accurate value for an intellectual property that Risen provides insurance against a change in predicted value of the intellectual property. Risen is for use in situations where a company is acquiring another company, or investing money in another company, and the acquiring company wants insurance to protect against valuation errors made when the value of what is being acquired was performed.

Additionally, Risen discloses a transaction between two parties, the seller and the purchaser, with the purchaser acquiring insurance against an unforeseen change in value of the patents they purchased. Nor does Risen specify purchasing an intellectual property as an investment, and granting a license to use the intellectual property to the third party in col 8, line 64; instead this portion of the Risen patent specifies that a party might utilize the invention of Risen if they were considering purchasing an intellectual property and were concerned because an accurate purchase price could not be determined. The invention of Risen would not occur until after a predicted value for the intellectual property had been made. If an accurate method for determining the value of an intellectual property existed, there would not be as great a need for insurance against change in the predicted value. Therefore, Risen actually teaches away from

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the invention of the present application by compensating for the lack of an accurate method of assessment by providing insurance to protect against inaccuracies in predicting the value of a patent.

In Champion, the investors invest their money in products owned by various third parties, such as mutual funds. No place in Champion is any mention made or implied of patents or intellectual properties as forming the basis for financial investments, or using a variety of algorithms to determine the appropriate purchase price for the intellectual properties. This is because, traditionally, such items were considered too difficult to appraise and assign a value to, and therefore there was too much uncertainty associated with intellectual property assets to incorporate them into investment vehicles. Champion only addresses a system used by an account management service to manage investor funds. The present invention addresses a system used by an investment entity to determine the value of a patent, acquire title to the patent in exchange for a monetary amount related to the determined value of the patent, license the patent, and allocate licensing royalties amongst investors from whom the monetary amount used to purchase the patent was obtained in a ratio related to the portion of the monetary amount obtained from that investor, Champion neither discloses nor suggests the present invention, alone or in conjunction with Risen.

None of the pieces of prior art, alone or in combination, disclose or suggest a computerized algorithm used for determining the value of more than one patent, pooling funds from various investors to purchase such patents, subsequently licensing the patented technology to third parties, collecting royalties from said third parties, and distributing the royalties to the various investors in proportion to the amount of their initial investment. Therefore, Applicant respectfully submits that the present application provides a new and novel invention that should be granted patent protection.

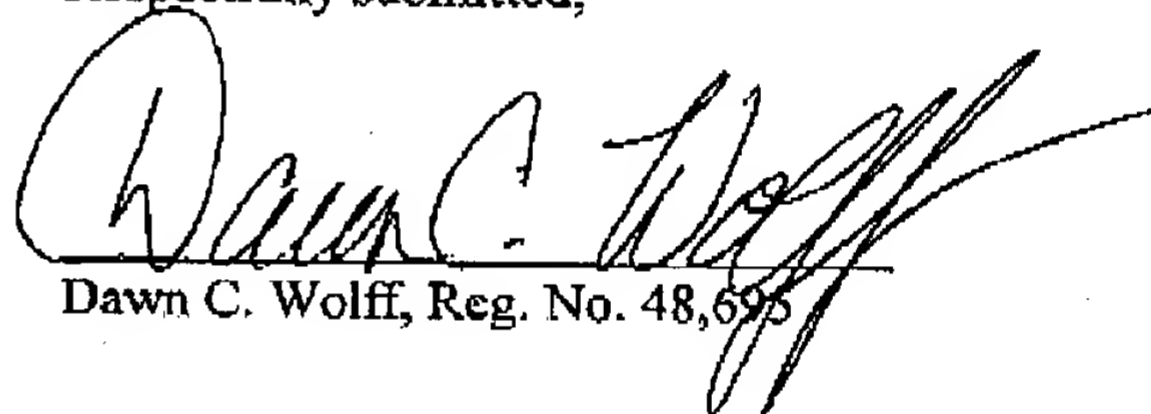
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Applicant has now made an earnest attempt to place this application in condition for allowance, and requests the Examiner reconsider the previous rejection of this application. Therefore, Applicant respectfully requests, based on the amendments made, and for the reasons set forth herein, full allowance of Claims 12-17 so that the application may be passed to issue.

Applicant believes that no fee for the subject document is required. However, the Commissioner is hereby authorized to charge any fee or credit any overpayment with regard to the filing of the subject Office Action Response to Deposit Account #50-2180 in the name of Paul Storm, P.C.

Respectfully submitted,



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